GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4583
ANSWERED ON:23.12.2005
FISCAL ARRANGEMENT TO ATTRACT INVESTMENT
Sippiparai Shri A. Ravichandran

Will the Minister of FINANCE be pleased to state:

(a) Whether Government has received any proposal to bring in stability in direct and indirect taxes to make India more attractive for investors ;

(b) if so, the details thereof alongwith Government action in this regard;

(c) whether Government has any proposals to merge CENVAT scheme with VAT and for abolition of Central Sales Tax for positive impact on the business; and

(d) if so, the details in this regard alongwith details of proposals received in this respect?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): As per information available, no proposal has been received to bring stability in direct and indirect taxes to make India more attractive for investors.

(b): Does not arise, in view of (a) above.

(c)&(d); Presently, Government is not considering any proposal to merge CENVAT scheme with VAT. In so far as abolition of Central Sales Tax is concerned, the Empowered Committee of State Finance Ministers has decided that the Central Sates Tax shall continue in its present form during 2005-06 and the issue will be discussed by the Empowered Committee during 2005-06 and thereafter, the Empowered Committee shall advise the Government accordingly.